

MINUTES

A. Fiscal Year (FY) 2023-2024 Second Quarter UBS Legacy Endowment Fund (Fund) Investment Performance Report

Chair Lee provided a synopsis of UBS's report on the Fund for the second quarter of FY 2023-2024 highlighting the Fund's gross returns of 10.1 and 17 percent for the second quarter and fiscal year to date respectively which surpassed established benchmarks. He asked if regents had any inquiries for Kyle Yoneshige or Lori Hamano from UBS who were present. Regents did not raise any questions regarding the Fund.

B. Semi-Annual Associated Students of the University of Hawai'i (ASUH) Stadium Stock Fund Investment Performance, through December 31, 2023

Chair Lee summarized the semi-annual report on ASUH Stadium Stock Fund Investment Performance through December 31, 2023, and asked if regents had any questions for Peter Backus, ASUH Investment Advisor from Graystone Consulting/Morgan Stanley, or Bronson Azama, ASUH President-elect.

Referencing figures for payouts from the ASUH Stadium Stock Fund, Chair Lee sought clarification on the amount requested thus far by ASUH for FY 2024. Mr. Azama replied that to date, ASUH has paid out roughly \$200,000 of the \$417,163 budgeted for this fiscal year with an additional \$30,000 in funding requests from the university's Registered Independent Organizations being deliberated at a meeting this evening. Mr. Backus reminded regents of his commitment to keeping the full amount (\$417,163 less funds spent) needed to fund the fiscal year budget in cash in order to reduce the risk of needing to sell securities if there is a market correction. President-elect Azama reiterated ASUH leadership's intent to utilize its full allotment of funds in accordance with RP 8.207.

Regent Wilson asked if the money from the sale of equities was placed in an interest-bearing account. Mr. Backus replied in the affirmative stating the funds are currently being held in a government money market fund account earning approximately 5.2 percent interest as of today.

Regent Abercrombie inquired as to whether KTUH, the university radio station, and Ka Leo O Hawai'i (Ka Leo), the student newspaper, were funded by ASUH through the Stadium Stock Fund. Mr. Azama replied that KTUH and Ka Leo were outside the purview of ASUH. Dr. Theresa Crichfield, Associate Vice Provost for Student Success, explained that KTUH and Ka Leo are funded via student media fees, have their own budgets and means of financing their respective activities, and fall under the governance of the Student Media Board. Given this response, Regent Abercrombie asked if reports on these funds were made to the b (ne)10 (d t)1(ade)10 (r)7 respectp (i)6 (el)16 (d,)T.

VP Young reiterated the preliminary nature of the MOA, especially when taking into consideration the hundreds of deal points requiring

Committee on In

Several regents commended the work of Dr. Ueno and the UHCC staff, expressed their steadfast support for UHCC and the work it is undertaking, noted the importance of community engagement in informing and educating the public about the cancer care mission of UHCC; and asked if there were ways in which the board could assist UHCC with its messaging.

Dr. Ueno reiterated his earlier statement about UHCC being viewed more in terms of the work it performs to reduce the burden on Hawai'i's cancer patients through the provision of in-state, novel clinical cancer research trials and culturally sensitive cancer care and less as strictly a research facility with revenue generating potential. He also stressed the importance of envisioning UHCC as a beacon of innovation that drives hope for people in need; noted remarks by certain legislators implying UHCC was not an essential part of Hawai'i's healthcare system and could become a financial burden to the State; underscored what a valuable asset UHCC was not only for the people of Hawai'i but the Asia-Pacific region as well; and urged regents to help UHCC in disseminating its message regarding the mission, role, capabilities, and worthiness of the institution to legislators and their own communities.

Chair Lee offered his comments on the lack of information brought forth to the board about, among other things, the work of UHCC, the challenges it was facing, and the financial plans for the EPCRC, stating he learned more about these issues from State Senate briefings than from UHCC or university administrators. He opined that the provision of regular reports from UHCC to the board in the future might help to alleviate this problem. Dr. Ueno assured regents about the strength of the EPCRC's business plan. However, he also acknowledged the unpredictability of UHCC's overall financial model, which is substantially reliant on cigarette tax revenues, and the need to find fundamental solutions to UHCC's State funding woes, which is something he and his team are actively pursuing.

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remains positive. He presented systemwide and campus specific revenue and expenditure data pointing out that lower revenue totals can mainly be attributed to timing issues related to the collection and recording of tuition and fees revenues for the 2024 spring semester; State General Fund, as well as Other Special Fund revenues of the university, are slightly higher, while Research and Training Revolving Fund and Other Revolving Fund revenues are marginally lower than the same time period last fiscal year; and expenditures grew due to a variety of factors including a considerable growth in on-campus activity, high inflation for products and services, increased utility costs, and costs associated with previously agreed upon collective bargaining agreements.

Chair Lee inquired if regents had any questions about the university's finances. None were raised.

G. Fiscal Year (FY) 2023-2024 Second Quarter CIP Status Report as of December 31, 2023

VP Gouveia reported on the status of CIPs through the second quarter of FY 2023-2024 stating that ongoing projects are moving forward as anticipated with no major changes or issues to report. Because two months have passed since the end of the second quarter, she presented updated information on two of the listed projects. The Culinary Institute of the Pacific (CIP) Phase 2 project at Kapi'olani Community College is currently undergoing negotiations to incorporate additional facility requirements identified by the new CIP Director that may be at least a couple million dollars. More details should be known by the next update. Also, Phase 1 of the EPCRC project, has been completed and closed out well ahead of schedule. However, as noted earlier in the meeting, additional federal funds for the EPCRC project were recently awarded to UHCC. Accordingly, the administration is in the process of negotiating a change order to reincorporate items originally removed from this project's scope due to funding issues.

Discussions took place on information brought to the fore by VP Gouveia regarding legislation related to maintaining the authority of the UH President to act as the university's chief procurement officer, which is set to expire on June 30 of this year, and the potential impacts loss of this authority could have on the university's procurement processes.

In light of the comments made during the February 15, 2024, Committee on Student Success meeting regarding concerns with Title IX compliance, Regent Tochiki inquired about the status of the track and field project at UHM and asked whether it would be completed by the start of the season for this sport. VP Gouveia responded that the project involving relocation of the track to the Cooke practice fields and the installation of a new soccer pitch within its confines is progressing and remains on schedule to be completed by the end of November this year, although slight delays have been

H. University Land-Related Strategic Initiatives and Partnerships Program FY 2023-2024 Second Quarter Update

Michael Shibata, Director of the Office of Strategic Development and Partnership, provided an update on the status of several university land-related strategic initiatives through the second quarter of FY 2023-2024 highlighting the following:

- UHWO -

IFG's proposal; the extent of vetting with respect to the IFG's fiscal capacity and financing plan for this project; the purpose of an exclusive negotiating agreement; and the finalizing of terms of an exclusive negotiating agreement with IFG.

Regent Abercrombie asked about the plans for development of the L 'ahi parcel. Director Shibata provided information on the subject parcel, noted the use of a similar